

November 12, 2025, City Council
Agenda Item 25-2158A,
Amendment to the Dallas Housing
Resource Catalog to the Dallas
Housing Finance Corporation,
Dallas Public Facility Corporation,
and Housing Tax Credits Program
Statements

Housing & Homelessness Solutions 10.21.2025

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### **Presentation Overview**



- Background/History
- Overview of the Corporations
- Dallas Housing Finance Corporation (DHFC) and Dallas Public Facility Corporation (DPFC) Program Statement changes
- Legislative Updates
- Issues/Operational Concerns
- Next Steps





- Housing needs in Dallas:
  - Rental Housing Shortage: Dallas currently faces a shortage of approximately 39,900 affordable rental units for households earning 50% or less of the Area Median Income (AMI). Without intervention, this gap is projected to grow to over 70,000 units by 2033.
  - Homeownership Needs: To achieve a goal of 50% homeownership in Dallas, about 42,100 households would need to transition from renting to owning. This would require adding approximately 3,400 new housing units per year to keep pace.
  - **Homelessness**: There are currently 3,718 individuals experiencing homelessness in the Dallas City, Dallas County, and Irving area roughly 10 people per 10,000 residents.

Source: City of Dallas Housing Needs Assessment 2024 (Housing & Community Development Home)

Source: National Alliance to End Homelessness, Point in Time (PIT) Counts by Continuum of Care (Dashboard: Point-In-Time Counts

by Continuum of Care - National Alliance to End Homelessness





#### Area Median Income

|                         | Number of Persons in the Household |         |    |         |    |         |    |         |    |         |               |               |    |         |
|-------------------------|------------------------------------|---------|----|---------|----|---------|----|---------|----|---------|---------------|---------------|----|---------|
| Eligibility<br>Standard |                                    | 1       |    | 2       |    | 3       |    | 4       |    | 5       | 6             | 7             |    | 8       |
| 140%                    | \$                                 | 114,954 | \$ | 131,376 | \$ | 147,798 | \$ | 164,220 | \$ | 177,358 | \$<br>190,495 | \$<br>203,633 | \$ | 216,770 |
| 120%                    | \$                                 | 98,532  | \$ | 112,608 | \$ | 126,684 | \$ | 140,760 | \$ | 152,021 | \$<br>163,282 | \$<br>174,542 | \$ | 185,803 |
| 80%                     | \$                                 | 65,700  | \$ | 75,100  | \$ | 84,500  | \$ | 93,850  | \$ | 101,400 | \$<br>108,900 | \$<br>116,400 | \$ | 123,900 |
| 60%                     | \$                                 | 49,320  | \$ | 56,340  | \$ | 63,360  | \$ | 70,380  | \$ | 76,020  | \$<br>81,660  | \$<br>87,300  | \$ | 92,940  |
| 50%                     | \$                                 | 41,100  | \$ | 46,950  | \$ | 52,800  | \$ | 58,650  | \$ | 63,350  | \$<br>68,050  | \$<br>72,750  | \$ | 77,450  |
| 30%                     | \$                                 | 24,650  | \$ | 28,200  | \$ | 31,700  | \$ | 35,200  | \$ | 38,050  | \$<br>43,150  | \$<br>48,650  | \$ | 54,150  |

Source: FY 2025 HUD Income Limits website at https://www.hudexchange.info/resource/5334/cdbg-income-limits/ Effective date: June 1, 2025, per HUD website cited above.





#### Census Tract Poverty Rates

#### **High Poverty Status**

High poverty area

20% of the population or more are below the poverty level

Possible high poverty area

The confidence interval includes "20% of the population or more are below the poverty level," but the point estimate is lower than that threshold

Not a high poverty area

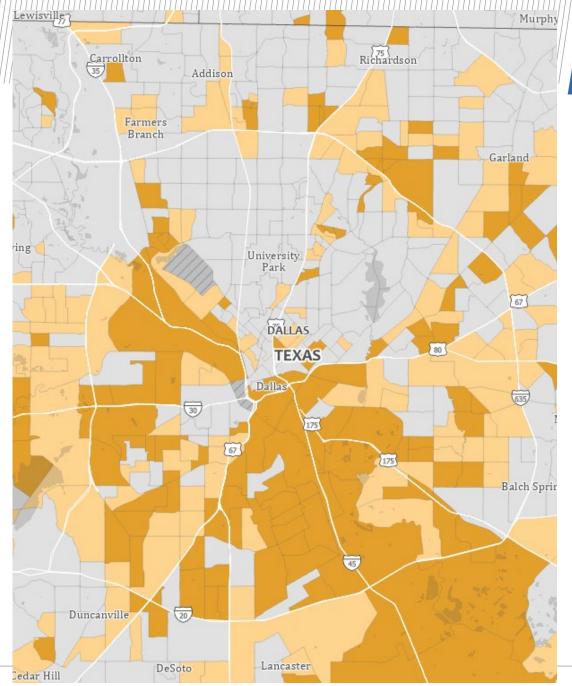
Areas that do not meet either of these criteria

Data not available

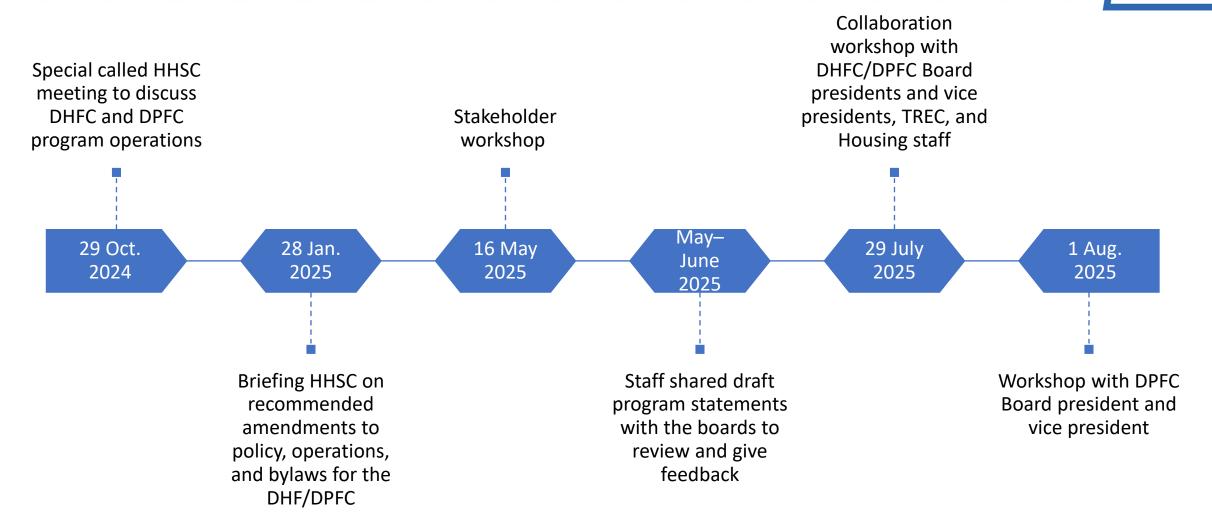
Data is not shown for these areas

Source: EDA Census Poverty Status Viewer (EDA-Census Poverty Status Viewer)











## Overview



| Category                       | Dallas Housing Finance Corporation (DHFC)  | Dallas Public Facility Corporation (DPFC)  |  |  |  |
|--------------------------------|--|--|--|--|--|
| Established                    | 1984   | 2020   |  |  |  |
| Legal Basis                    | Texas Housing Finance Corporation Act (Chapter 394, Texas Local Government Code) | Public Facility Corporation Act (Chapter 303, Texas Local Government Code)             |  |  |  |
| Primary Purpose                | Assist low/moderate-income persons in acquiring and owning affordable housing    | Assist the City in financing and preserving mixed-income workforce housing             |  |  |  |
| Target Income Group            | Low and moderate income  | Residents earning ≤ 80% Area Median Income (AMI); includes non-income restricted units |  |  |  |
| Financing Tools                | Tax-exempt bonds, home mortgages, acquisition, and redevelopment                 | Acquisition, construction, rehab, renovation, and equipping of public facilities       |  |  |  |
| Partnership Roles              | General Partner, Ground Lessor, Co-<br>Developer, General Contractor             | General Partner, landowner, General<br>Contractor                                      |  |  |  |
| Total Number of<br>Properties  | 41   | 20   |  |  |  |
| Total Number of Units          | 9,192  | 4,774  |  |  |  |
| Estimated Total Property Value | \$2.2 Billion  | \$1.1 Billion  |  |  |  |
| Estimated Total Taxes Foregone | To be Calculated   | To be Calculated   |  |  |  |
| Total Revenue                  | \$6,041,873.00   | \$952,334.00   |  |  |  |





#### Policies and Procedures

- DHFC/DPFC will develop written policies and procedures
- Housing Director or designee will have a seat on the Board of Directors as an ex-officio board member; will attend Board meetings, including executive and closed sessions

#### Staffing

- DHFC/DPFC manage administration, developer communication, application intake, project oversight, reporting and developer education
- DHFC/DPFC staff serve as primary presenters at Housing and Homelessness Solutions Committee and City Council meetings
- City staff will review projects for policy alignment, monitor long term affordability, manage City Council agenda items, and coordinate communications with corporation staff and Councilmembers



### Dallas Housing Finance Corporation (DHFC)



#### Applications

- Must be submitted in writing and prioritize projects that have been designated for prioritization by City Council and confirmed by OHCE staff
- Low Income Housing Tax Credit (LIHTC) waivers in Racially/Ethnically Concentrated Areas of Poverty (R/ECAP) areas or areas with 20% poverty or higher will not be granted unless project is redevelopment or addressing slum/blight, urban nuisance, environmental contamination or environmental nuisance, or providing other public benefit; waiver approval will require 3/4 City Council vote
- May be denied due to developer capacity, requesting ineligible waivers, or the project conflicts with DHFC policies or City programs and goals
- DHFC will track and report total tax-exempt value annually



### Dallas Public Facility Corporation (DPFC)



#### Applications

- Must be submitted in writing and prioritize projects that have been designated for prioritization by City Council and confirmed by OHCE staff
- DPFC projects will be limited to areas with poverty rates over 20%, including R/ECAPs and underdeveloped areas, to help reduce concentrated poverty
- Projects outside these areas must meet specific public benefit criteria (e.g., a conversion, renovation of existing housing to provide deeper affordability, in a rapidly changing census tract or high opportunity areas, addressing slum/blight, urban nuisance, environmental contamination or environmental nuisance, or providing other public benefit) and require a 3/4 Council vote for approval
- May be denied due to developer capacity, requesting ineligible waivers, or the project conflicts with DPFC policies or City programs and goals
- DPFC will track and report total tax-exempt value annually





#### Applications/Portfolio

- Each project must include a Public Benefit Analysis (PBA) showing benefits equal at least 60% of foregone property taxes
- If below 60%, the project must explain how it supports jobs, improves aging housing, or enhances community services.
- Council Members will be notified of district projects so they can decide if community engagement is needed
- Projects must comply with Uniform Relocation Act (URA) or meet similar legal requirements
- Rehab scope must address code violations, major systems, unit interiors, and accessibility





#### City Goals and Initiatives

- OHCE staff will ensure DHFC/DPFC projects align with City policies, TIF requirements, and have environmental clearance
- If City incentives are requested, a second financial underwrite will be completed by Housing or Economic Development
- OHCE staff will oversee long-term affordability; DHFC/DPFC will monitor project performance
- DHFC/DPFC will provide quarterly project reports and annual audits; the Board will present financials to the Housing Committee each year
- DHFC/DPFC will limit revenue use to approved housing-related activities, report spending quarterly, and reimburse the City for administrative support as needed





- DHFC/DPFC Revenue will be used for:
  - Opportunities approved by the OHCE Director and Board
  - DHFC/DPFC administration, infrastructure and gap financing for approved housing projects, including development, acquisition, construction, and rehab
  - DHFC/DPFC approved projects that are seeking gap funds
  - Reimbursements to the City for administrative
- Revenue will be made available annually to the City and developers through approved applications
- DHFC/DPFC will report to OHCE quarterly and annually on expenditures and administrative costs



## Legislative Update



- Texas House Bill 21 (89th Legislature, 2025) (Housing Finance Corporations (HFCs)
  - Must now operate within their sponsor's boundaries unless dual local approvals are obtained for projects outside those areas
  - Now subject to the Open Meetings Act and Public Information Act
  - Non-LIHTC projects must meet strict affordability, rent reduction, and tenant protection standards to qualify
  - Tax Exemptions and Bonds can only be issued for projects within sponsor boundaries or with local government approval and a public hearing
- The updated Program Statements do not allow for non-city supported housing finance corporations or public facility corporations to seek City Council support.



### **Operational Updates**



#### • DHFC/DPFC

- Both Housing Corporations staffed open positions over the summer and continue to accept new developer applications
- Collaborative reviews between OHCE staff and Corporation staff have already started to incorporate suggested policy changes
- Projects from both corporations are on today's agenda and are expected to advance to City Council by the first meeting in November



# Policy Discussion



- There have been many conversations about the updates to the Program Statements.
- Three areas remain where City Council input is needed:

| Category  | OHCE staff recommendation   | DHFC/DPFC Board position                                      | Pro  | Con  |
|---|---|---|--|--|
| Geographic Focus                                | Limit DHFC/DPFC projects to<br>strategic areas, where activity of<br>both corporations compliment<br>each other | No general restrictions on location                           | use of the corporation with city                                   | Requires corporations to review projects for location and may have to say no to projects |
| Project Prioritization and Tax<br>Exemption Cap | Establish cap on how many properties can be exempted in a year and how many projects can be exempted overall    |   | Allows more control of potential impact to the general fund budget | Potentially reduces the amount of projects approved in one year                          |
| Board Participation                             | Director (or designee) as ex-<br>officio membership on Boards   | advisory only participation<br>without a formal seat on Board | discussions related to properties                                  | Corporation is worried about potential conflict and access to personal issues            |



### Housing Tax Credit Program Statement



- The Housing Tax Credit Program statements sets standards for how developers apply for a 4% Resolution of No Objection or a 9% Resolution of Support.
- The current Program Statement requires clarity for each review process.
- Program Statement updates include:
  - Streamline applications for Resolution of No Objection (4% LIHTC) and Resolution of Support (9% LIHTC)
  - Set timeline for applications and staff review
  - 4% LIHTC Projects
    - Adds clarity around waiver requests
    - Restricts waivers for R/ECAP and areas with 20% poverty or higher
  - 9% LIHTC Projects
    - Simplifies scoring criteria
  - Links to the Qualified Action Plan for Developers to see all technical guidance there



### **Next Steps**



- Staff recommends approving the DHRC Amendments for the Dallas Housing Finance Corporation, Dallas Public Facility Corporation and the Housing Tax Credits Program move forward to City Council
- November 12, 2025, City Council Agenda
  - Housing Resource Catalog amendment
  - Updated DHFC/DPFC Program Statements
  - Updated Housing Tax Credits Program Statement for 4% and 9% application review





# City of Dallas

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